

Q: Why have I received this real estate assessment notice?

A: In accordance with Section 58.1-3330 of the Code of Virginia, you are provided this annual notice as an official statement of the assessed value of your real property for local tax purposes.

The January 1, 2007 real estate assessment represents the estimated fair market value of your property. **This notice is not a tax bill.** The assessed value provides the basis for computing your real estate taxes that will be due June 5 and December 5.

Q: I have heard that the real estate market was down significantly. How is that reflected in my assessment?

A: Most real estate experts agree that the real estate market transitioned from a seller's market to a buyer's market during 2006. For the most part, this has been a transition, not a crash. The number of sales declined and the number of days on the market increased, and gone was the rapid price appreciation. Generally, however, prices remained fairly stable.

Market values are created by buyers and sellers acting independently. Assessments will follow the sales trend for each neighborhood. Market values (and assessments) may deviate from the sales trend due to new construction, renovation, remodeling, or uniformity adjustments.

Q: How does the City determine the assessed value of my property?

A: By state law, the assessed value of a property must reflect its current market value. For single-family homes, residential townhouses, and condominiums, the City Assessor uses a sales comparison approach; that is, a property is compared to other similar properties that sold prior to January 1, 2007. For the purpose of valuation, the Assessor groups properties with similar characteristics into logical "neighborhoods" also known as "study groups". Sales in each "study group" are compared to the assessed values. After adjusting for differences between properties, these sales are used as a guide to determine the proper assessment for all other properties in the neighborhood. If sales prices in a "study group" increase or decrease, the market value of your property may also increase or decrease even though a property has not sold or otherwise changed.

For commercial properties, assessments are determined by a combination of methods, including the sales comparison approach described above, the cost approach, and the income approach. For commercial income properties such as office and retail buildings, the capitalized income approach to valuation is the principal assessment methodology used to assess market value.

For all properties, the real estate assessments must reflect 100 percent of fair market value, as of January 1, 2007 (Virginia Code 58.1-3201).

Q: How does the City maintain its property records?

A: The City Assessor visits properties, reviews building permits, and consults sales data to keep our property records up to date.

Q: A property owner may find that their assessment is above what they paid for the property. How can a property be assessed for more than the purchase price?

A: The assessment should reflect fair market value. This is not necessarily the same as price paid. The property value may have changed since purchase. This is especially true if the purchase was several years ago, or if a person happened to get a "good buy" where the sale price would be below market value at the time, as indicated by the sale of similar properties. Assessed value should represent fair real estate market value which may or may not be the same as the sale price.

Q: A property owner may experience assessments that continue to increase, even for very old properties. Is the property's age and condition taken into consideration when making assessments?

A: Sales prices of homes in each "study group" are analyzed to determine the assessments. Adjustments for the age and condition of properties reflected in the sales price are then considered in the assessment.

Q: Homes sell at one combined price for both land and building. Why is my assessment divided into separate land and building values?

A: For properties improved with buildings, the assessed value is allocated between land and building to comply with legal reporting requirements. The tax burden is based on the "total" assessed value

Q: If assessments are supposed to reflect market value, why is the assessment above or below what properties are currently selling for in my neighborhood?

A: In accordance with the Virginia Constitution and mass appraisal practice, assessments are at fair market value as determined by recent sales information. The January 1, 2007 assessments are based on 2006 sales. Sales in 2007 will be used to determine the January 1, 2008 assessments and are not a basis for appeal of the 2007 assessment.

Q: People who are on a fixed income may experience difficulties paying their taxes. Can this be taken into consideration when assessing their property?

A: According to state law, the assessed value of real estate must be at fair market value and uniform with similar properties. This precludes adjustment to an assessed value as the result of an individual's personal situation. In other words, the property is being appraised, not the individual.

Q: Does the City offer real estate tax relief for the elderly or for the handicapped?

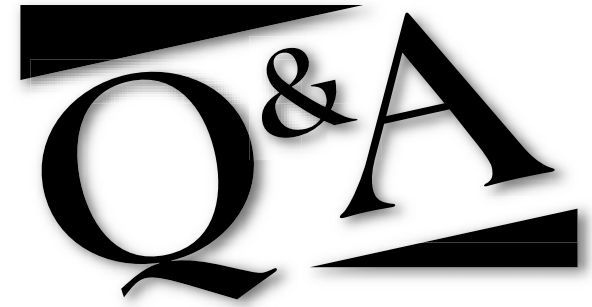
A: Yes. Persons age 65 or older, and/or disabled residents, and with incomes under \$31,605 can receive partial real estate tax relief and can elect to defer the balance of their taxes. Residents with incomes between \$31,606 and \$72,000 can elect to defer 100 percent of their real estate taxes. Other restrictions may apply. Contact the Housing and Human Services Division at 703-248-5005 (TTY 711) for more information. The application deadline for Real Estate Tax Relief is April 15, 2007.

Policy of Non-Discrimination on the Basis of Disability

The City of Falls Church does not discriminate on the basis of disability in its employment practices or in the admission to, access to, or operations of its services, programs, or activities. Letha Flippin, 300 Park Avenue, Falls Church, Virginia 22046, has been designated to coordinate compliance with the ADA non-discrimination requirement.

2007 Real Estate Assessments

Questions & Answers



City of Falls Church
Office of the Real Estate Assessor
Harry E. Wells Building
300 Park Avenue, #104W
Falls Church, VA 22046
703-248-5022 (TTY 711) (tel)
703-248-5184 (fax)
realestate@fallschurchva.gov
[www.fallschurchva.gov/government/
adminservices/realEstateAssessment/index.html](http://www.fallschurchva.gov/government/adminservices/realEstateAssessment/index.html)

John Tuohy, CPA
General Manager/Chief Financial Officer
Administrative Services Department

Mel Peterson, SRA
Director of Real Estate Assessments

Ryan M. Davis
Senior Real Estate Appraiser

